

## Fiscal Estimate - 2009 Session

☒ Original
 ☐ Updated
 ☐ Corrected
 ☐ Supplemental

<b>LRB Number</b> <b>09-4088/1</b>	<b>Introduction Number</b> <b>SB-513</b>	
<b>Description</b> Life settlements, granting rule-making authority, and providing a penalty		
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> No State Fiscal Effect  <input type="checkbox"/> Indeterminate  <div style="display: flex;"> <div style="width: 50%;"> <input type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations                         </div> <div style="width: 50%;"> <input type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues                         </div> </div> </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget  <div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes                             <input type="checkbox"/> No                         </div> <input type="checkbox"/> Decrease Costs                     </div> </div> <b>Local:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input checked="" type="checkbox"/> No Local Government Costs  <input type="checkbox"/> Indeterminate  <div style="display: flex;"> <div style="width: 50%;">                         1. <input type="checkbox"/> Increase Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                          2. <input type="checkbox"/> Decrease Costs  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                     </div> <div style="width: 50%;">                         3. <input type="checkbox"/> Increase Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                          4. <input type="checkbox"/> Decrease Revenue  <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory                     </div> </div> </div> <div style="width: 33%;"> <b>5. Types of Local Government Units Affected</b>  <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns  <input type="checkbox"/> Counties  <input type="checkbox"/> School Districts                         </div> <div style="width: 33%;"> <input type="checkbox"/> Village  <input type="checkbox"/> Others  <input type="checkbox"/> WTCS Districts                         </div> <div style="width: 33%;"> <input type="checkbox"/> Cities                         </div> </div> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div> <b>Fund Sources Affected</b>  <input type="checkbox"/> GPR   <input type="checkbox"/> FED   <input type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input type="checkbox"/> SEG   <input type="checkbox"/> SEGS                     </div> <div> <b>Affected Ch. 20 Appropriations</b> </div> </div>		
<b>Agency/Prepared By</b>  DCF/ Marcie Stebbeds (608) 266-5747	<b>Authorized Signature</b>  Robert Nikolay (608) 261-4349	<b>Date</b>  2/16/2010

## Fiscal Estimate Narratives

DCF 2/16/2010

LRB Number	09-4088/1	Introduction Number	SB-513	Estimate Type	Original
<b>Description</b>					
Life settlements, granting rule-making authority, and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, the commissioner of insurance may to refuse to issue or renew and suspend a license to a viatical settlement provider who is delinquent in court-ordered payments of child or family support, maintenance, birth expenses, medical expenses or other expenses related to the support of a child or former spouse.

This bill maintains that option; therefore, there is no fiscal impact.

### Long-Range Fiscal Implications

## Fiscal Estimate - 2009 Session

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<b>LRB Number</b> <b>09-4088/1</b>	<b>Introduction Number</b> <b>SB-513</b>	
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<b>Agency/Prepared By</b>  OCI/ Jim Guidry (608) 264-6239	<b>Authorized Signature</b>  Sean Dilweg (608) 266-3585	<b>Date</b>  2/10/2010

## Fiscal Estimate Narratives

OCI 2/10/2010

LRB Number	09-4088/1	Introduction Number	SB-513	Estimate Type	Original
<b>Description</b>					
Life settlements, granting rule-making authority, and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

SB 513 updates Wisconsin statutes to provide regulatory guidance for life settlement transactions, which is the transfer of ownership of a life insurance policy to a third party. Wisconsin's current viatical settlement statute is limited to only those life settlement transactions involving policy owners who are terminally ill or have a life threatening disease. SB 513 includes viatical settlement transactions as well as other ownership transfers that do not qualify as viatical settlements under current law.

The bill requires life settlement providers and brokers to be licensed by OCI and meet specific prelicensing and continuing education requirements. Additionally, the bill requires life settlement contracts and required disclosures to be filed with OCI prior to their use in the marketplace. Life settlement advertising is also regulated under the bill.

Notwithstanding the current viatical settlement statute, life settlements are currently not regulated in Wisconsin. As a result, OCI does not have enough information on the volume of transactions and participants in life settlement market to accurately gauge the fiscal impact on OCI's regulatory processes. OCI's responsibilities under the bill include licensing providers, conducting examinations, reviewing annual statements, licensing and continuing education requirements for brokers, approval of contracts and other forms used, review of advertisements, creation of brochures for policyowners and providers, investigation of complaints and enforcement of violations. Modifications to existing electronic systems will be required to track brokers and providers. The level of activity could be sufficient that OCI would require additional positions to address all of the statutory responsibilities as proscribed in SB 513.

The local fiscal effect is indeterminate. Local governments have been participants in the life settlements market, but largely on the investment side, which is beyond OCI's regulatory purview. As a result there is not enough information to accurately gauge the impact that this bill will have local government.

### Long-Range Fiscal Implications